

How To Process a Personal Services Contract

- 1. For contracts over \$10,000, please contact Procurement Services to determine if Request For Proposal or Single Source Justification is required. If required, RFP process must be completed before proceeding with Personal Services Contract.**
- 2. Advise vendor of Registration Requirements.** Vendors must be registered with the Secretary of State's Office and be in good standing (SOS registration does not apply to vendors being paid as individuals under an SS#). Vendors must possess a Campbell County Occupational License and a City of Highland Heights Occupational License and must pay applicable payroll taxes. Information on these requirements can be found on the Personal Services Contract Form.
- 3. Complete a "Proof of Necessity (PON)" form.** All sections must be completed. The form must be signed by an NKU employee who is responsible for monitoring the contract work.
- 4. Complete a "Personal Services Contract (PSC)" form.** This form must be signed by the contractor and by an NKU employee who is responsible for monitoring the contract work. If your contract is with another KY state agency, please use the Memorandum of Agreement (MOA) form instead of the PSC form.
- 5. Ask vendor to complete a "Vendor Setup Form"** if they are not already in SAP as a vendor.
- 6. Forward completed PSC, PON, and Vendor Setup Form to Procurement Services at least 5 business days prior to the contract start date.** Include any additional backup documents such as Single Source Justification or RFP documents if required.
- 7. Enter a purchase requisition** into SAP to encumber the full amount of the contract.
- 8. Procurement Services** will review your contract documents, verify registration with the Secretary of State's Office, submit your contract to the Legislative Review Commission (LRC), and issue a purchase order. We will notify you when the contract has been approved.
- 9. Work may begin** when a purchase order is issued or when you have been advised that the contract has been filed with the LRC. Payments cannot be processed until the contract has been approved by the GCRC.
- 10. Invoices must be submitted with a completed "Invoice Form".** The Invoice Form must be signed by the vendor and by the NKU person monitoring the contract work. If a grant funding source is used, the invoice must be approved by the Grant PI.
- 11. All changes to the contract must be submitted to the LRC** on a PSC Renewal/Amendment/Extension form. Contracts cannot be amended within 90 days of the original submission unless the amendment is submitted with a "90 Day Letter" explaining the need for the amendment and why it was not considered in the original contract.

12. Notify Procurement Services when the contract is complete so that we can close the contract file and liquidate any encumbrance that may remain on the purchase order after final payment has been made.

Additional information:

-PSC's greater than \$10,000 **MUST** be submitted to the LRC prior to the start of work. Contracts under \$10,000 may be submitted within 30 days of the start of work. MOA's greater than \$50,000 **MUST** be submitted prior to the start of work. MOA's under \$50,000 may be submitted within 30 days of the start of work.

-Work may not extend beyond the contract end date without submitting a contract extension to the LRC.

-Contract dates may not cross biennial fiscal years. If work must continue into a new fiscal biennium, a contract renewal must be submitted. Please contact Procurement Services for details.

-Payments may not exceed the original contract amount without submitting a contract amendment to the LRC.

-Rates for some types of services (legal, audit, auctioneer, and real estate appraisal) are restricted to Maximum Allowable Rates established by the LRC.

-Legal Contracts must be approved by the Governor before they are submitted to the LRC- contact Procurement Services for additional information.

-Care should be taken to provide complete information and descriptions on the PON and PSC forms. This information is used by the GCRC to approve your contract. Avoid acronyms and abbreviations unless they are defined in the documents. Inadequate or unclear information can lead to delays in the approval of a contract.

-Submit contracts early to avoid payment delays. Approvals can take several weeks. The GCRC meets only once per month, usually on the second Tuesday, to review all contracts submitted the previous calendar month.

-PSC's may not be used to compensate any faculty/staff/student for any kind of work.

-Contracts for any International/Non-US Citizen require approved by Payroll to ensure all state and federal requirements for International payments are met. Please contact Payroll before processing a PSC for information and approval on International payments. Information can also be found at <http://hr.nku.edu/payroll/international.html>

RESOURCES:

PROCUREMENT SERVICES CONTACT – BLAINE GIMORE 6449 OR HOLLY VASQUEZ 5171

FORM LINKS-(ALL FORMS CAN BE ACCESSED DIRECTLY FROM PROCUREMENT SERVICES WEBPAGE):

<http://procurement.nku.edu/Personalservicecontracts.html>

Additional links:

Kentucky Secretary of State

<http://onestop.ky.gov/Pages/default.aspx>

Campbell County/Highland Heights Occupational License information

<https://campbellcountky.gov/division/blocks.php?structureid=49>